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Part 1

THE MONTGOMERY GI BILL AMENDMENTS OF 1988

APRIL 26, 1988.—Ordered to be printed

Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 4213, which on March 22, 1988, was referred jointly to the Committee on Veterans' Affairs and the Committee on Armed Services]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4213) to amend title 38, United States Code, with respect to the Montgomery GI Bill, having considered the same, reports favorably thereon, with amendments, by unanimous voice vote, and recommends that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Montgomery GI Bill Amendments of 1988".

SEC. 2. BENEFIT PAYMENT IN CERTAIN CASES.

(a) IN GENERAL.—Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following:

"1417. Certain benefit payment

"(a) The Administrator shall make a payment in the amount described in subsection (c) of this section to any individual—

"(1) who is entitled to basic educational assistance under this chapter; and

"(2) with respect to whom the Administrator has made a determination that the individual has become, while on active

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duty in the Armed Forces or within 6 years after the individual's last discharge or release from active duty and through no willful misconduct of the individual, so physically or mentally handicapped that the individual is unable to utilize educational assistance under this chapter.

"(b)(1) In the event of the death of any individual—

"(A) who—

"(i) is entitled to basic educational assistance under this chapter; or

"(ii) is on active duty in the Armed Forces or is serving in the Selected Reserve and but for section 1411(a)(1)(A)(i) or clause (i) or (ii) of 1412(a)(1)(A) of this title would be eligible for such basic educational assistance; and

"(B) who dies while on active duty in the Armed Forces or within 6 years after the date of the individual's last discharge or release from active duty and through no willful misconduct of the individual,

the Administrator shall make a payment in the amount described in subsection (c) of this section to the living person or persons described in paragraph (2) of this subsection.

"(2) The payment referred to in paragraph (1) of this subsection shall be made to the living person or persons first listed below:

"(A) The beneficiary or beneficiaries designated by such individual under such individual's Servicemen's Group Life Insurance policy.

"(B) The surviving spouse of the individual.

"(C) The surviving child or children of the individual, in equal shares.

"(D) The surviving parent or parents of the individual, in equal shares.

If there is no such person living, the Administrator shall pay such amount to the individual's estate.

"(c) The amount of any payment made under this section shall be equal to—

"(1) the amount reduced from the individual's pay under section 1411(b) or 1412(c) of this title, less

"(2) the total of—

"(A) the amount of educational assistance that has been paid to the individual under this chapter before the payment is made under this section; and

"(B) in the case of an individual described in subsection (b)(1) of this section, the amount of accrued benefits paid or payable with respect to such individual in connection with this chapter.

"(d) Any individual to whom a payment is made under subsection (a) of this section shall not be entitled to any educational assistance under this chapter on and after the date of the payment under subsection (c) of this section.

"(e) For purposes of determining the 6-year period referred to in subsections (a)(2) and (b)(1)(B) of this section, the provisions in subsections (b), (c), and (d) of section 1431 of this title for determining the 10-year period described therein shall apply to such 6-year period.

"(f) A payment under this section shall be considered to be a benefit under this title and, for purposes of section 1435(b)(1), it shall be considered to be an entitlement earned under this subchapter.".

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:
"1417. Certain benefit payment.".

SEC. 3. ENTITLEMENT IN CERTAIN CASE.

(a) IN GENERAL.—Section 1411(a)(1) of title 38, United States Code, is amended by inserting after "disability" in clauses (A)(ii)(I) and (B)(ii)(I) the following: ", for a disability that existed before the individual's becoming or entering on active duty as a member of the Armed Forces,".

(b) CONFORMING AND TECHNICAL AMENDMENTS.—(1)(A) Section 1412(b)(1) of such title is amended to read as follows:

"(b)(1)(A) The requirement of two years of service under clauses (1)(A)(i) and (1)(B)(i) of subsection (a) of this section is not applicable to an individual who is discharged or released, during such two years, from active duty in the Armed Forces for a service-connected disability, for a disability that existed before the individual's becoming or entering on active duty as a member of the Armed Forces, for hardship, or (in the case of an individual discharged or released after 20 months of such service) for the convenience of the Government.

"(B) The requirement of four years of service under clauses (1)(A)(ii) and (1)(B)(ii) of subsection (a) of this section is not applicable to an individual—

"(i) who, during the two years of service described in clauses (1)(A)(i) and (1)(B)(i) of subsection (a) of this section, was discharged or released from active duty in the Armed Forces for a service-connected disability; or

"(ii) who, during the four years of service described in clauses (1)(A)(ii) and (1)(B)(ii) of subsection (a) of this section, is discharged or released from service in the Selected Reserve for a service-connected disability, for a disability that existed before the individual's becoming a member of the Selected Reserve, for hardship, or (in the case of an individual discharged or released after 30 months of such service) for the convenience of the Government.".

(B) Paragraphs (1)(A)(i) and (1)(B)(i) of section 1412(a) of such title are each amended by inserting ", subject to subsection (b) of this section," after "Forces".

(2) Clause (F) of section 3103A(b)(3) of such title is amended to read as follows:

"(F) to benefits under chapter 30 of this title by reason of a discharge or release from active duty for the convenience of the Government or for a disability that existed before the person's becoming, or entering on active duty as, a member of the Armed Forces, as described in section 1411(a)(1)(A)(ii) or 1412(b)(1)(A).".

SEC. 4. PROGRAM OF EDUCATION.

(a) IN GENERAL.—Section 1402(3) of title 38, United States Code, is amended—

(1) by striking out "and" at the end of clause (A);

(2) by striking out the period at the end of clause (B) and inserting in lieu thereof a comma; and

(3) by adding at the end the following new clauses:

"(C) includes refresher courses (including courses which will permit such individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual's field of employment), deficiency courses, or other preparatory or special education or training courses necessary to enable the individual to pursue an approved program of education described in the other clauses of this paragraph; and

"(D) includes a program of flight training if—

"(i) such training is—

"(I) offered by an institution of higher learning for credit toward a standard college degree;

"(II) generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation; or

"(III) generally recognized as ancillary to the pursuit of a vocational endeavor other than aviation;

"(ii) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

"(iii) the flight training courses meet the Federal Aviation Administration standards and are approved by the State approving agency.".

(b) AMOUNT OF ASSISTANCE.—Section 1432 of such title is amended by adding at the end the following new subsections:

"(d)(1) Subject to paragraph (2) of this subsection, the amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 1402(3)(D) of this title is an amount equal to 75 percent of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

"(2) Educational assistance described in paragraph (1) of this subsection may not be paid for any month to such an individual until the Administrator has received a certificate from the individual and the institution as to actual flight training received by, and the cost thereof to, the individual during that month.

"(e)(1)(A) The amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education exclusively by correspondence is an amount equal to 55 percent of the established charge which the institution requires nonveterans to pay for the course or courses pursued by such individual.

"(B) For purposes of subparagraph (A) of paragraph (1) of this subsection, the term 'established charge' means the lesser of—

"(i) the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency; or

"(ii) the actual charge to the individual for such course or courses.

"(2) Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the individual and serviced by the institution.

"(3) In each case in which the rate of payment to an individual is determined under paragraph (1) of this subsection or under subsection (d)(1) of this section, the period of entitlement of such individual under this chapter shall be charged with one month for each payment of educational assistance to the individual that is equal to the amount of monthly educational assistance the individual would otherwise be eligible to receive under this chapter with proportional increases and decreases in such charge in cases in which such payment is more or less, respectively, than such amount.".

(c) CONFORMING AMENDMENTS—(1) Section 1413 of such title is amended by adding at the end the following new subsection:

"(d) The Administrator may not pay educational assistance to an individual for more than nine months (or the equivalent thereof in part-time educational assistance) for the pursuit of refresher courses which will permit such individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual's field of employment.".

(2) Section 1434 of such title is amended—

(A) in subsection (a)—

(i) by inserting "1786(a)," after "1780(g),"; and

(ii) by inserting after "1673" the following: "(with the exception of subsection (b))";

(B) by striking out subsection (c); and

(C) by redesignating subsection (d) as subsection (c).

SEC. 5. TEMPORARY PERIOD OF ENROLLMENT.

(a) IN GENERAL.—Any individual on active duty in the Armed Forces who made an election under section 1411(c)(1) or 1412(d)(1) of title 38, United States Code, not to receive educational assistance under chapter 30 of such title may, during the 60-day period beginning on the 31st day after the date of the enactment of this Act, enroll in the program established under such chapter.

(b) EFFECTS OF ENROLLMENT.—(1) Any individual who enrolls in such program under subsection (a) of this section and fulfills the requirements of subsection (c) of this section—

(A) shall be entitled to basic educational assistance under such chapter to the same extent (except as provided in paragraph (2) of this subsection), in the same manner, under the same conditions, and in the same amount as the individual would have if the individual had not made an election under section 1411(c)(1) or 1412(d)(1) of such title, as the case may be; and

(B) shall be considered, for purposes of such chapter, not to have made an election under section 1411(c)(1) or 1412(d)(1) of such title.

(2) Any individual described in paragraph (1) of this subsection who becomes an individual described in section 1411(a)(1)(A)(ii) or section 1412(b)(1)(A) of such title, as amended by section 3(b) of this

Act, before $1,200 is paid by the individual or is reduced from the individual's basic pay, or both, as a result of an election or payment and election described in subsection (c)(1) of this section, is entitled to basic educational assistance under such chapter for one month for each $100 of the total amount that has been paid by the individual or reduced from the individual's pay, or both, as a result of such election or payment and election, but not to exceed the number of months the individual has served on active duty.

(c) REQUIREMENTS.—(1) Any individual who enrolls in such program under subsection (a) of this section shall, within the 60-day period described in such subsection—

(A) make a lump-sum payment of $1200 to the Secretary concerned;

(B) elect to have the individual's basic pay reduced to the same extent, in the same manner, under the same conditions, and in the same amount as provided for individuals who do not made an election under section 1411(c)(1) or 1412(d)(1) of such title; or

(C) make (i) a lump sum payment to the Secretary concerned, and (ii) an election described in clause (B) of this paragraph that will result in a monthly reduction of the basic pay of the individual until the amount so reduced and the amount of such lump sum payment equal $1,200.

(2) Except as provided in subsection (b)(2) of this section, each individual who enrolls in such program under subsection (a) of this section shall not be eligible to receive educational assistance under chapter 30 of such title until the total of such individual's lump sum payment or reduction in pay, or both, is equal to $1,200.

(d) IMPLEMENTATION.—(1) The Secretaries concerned shall take all steps necessary to inform individuals of the opportunity to enroll under this section in the program established by chapter 30 of such title.

(2) Any amount received by a Secretary under this section shall be deposited in the miscellaneous receipts of the Treasury.

SEC. 6. SELECTED RESERVE PROGRAM.

(a) PROGRAM OF EDUCATION.—(1) Section 2131(c)(1) of title 10, United States Code, is amended to read as follows:

"(c)(1) Educational assistance may only be provided under this chapter for pursuit of a program of education that is an approved program of education for purposes of chapter 30 of title 38.".

(2) Section 2136(b) of such title is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Except as otherwise provided in this chapter, the provisions of sections 1434(b), 1663, 1670, 1671, 1673 (with the exception of subsection (b)), 1674, 1676, 1682(g), and 1683 of title 38 and the provisions of subchapters I and II of chapter 36 of such title (with the exception of sections 1780(c), 1780(g), 1786(a), 1787, and 1792) shall be applicable to the provision of educational assistance under this chapter."; and

(B) by striking out ", as used" in the second sentence and inserting in lieu thereof "and the term 'an individual', as used".

(b) AMOUNT OF ASSISTANCE.—Section 2131 of such title is amended—

(1) in subsection (b)—

(A) by striking out "Each" and inserting in lieu thereof "Except as provided in subsections (d) and (e), each";

(B) by inserting ", through the Administrator of Veterans' Affairs," after "Secretary concerned"; and

(C) by striking out "and educational" and inserting in lieu thereof "of an educational"; and

(2) by adding at the end the following new subsections:

"(d)(1) Except as provided in paragraph (2), the amount of the monthly educational assistance allowance payable to an individual pursuing a full-time program of apprenticeship or other on-the-job training under this chapter is—

"(A) for each of the first six months of the individual's pursuit of such program, 75 percent of the monthly educational assistance allowance otherwise payable to such individual under this chapter;

"(B) for each of the second six months of the individual's pursuit of such program, 55 percent of such monthly educational assistance allowance; and

"(C) for each of the months following the first 12 months of the individual's pursuit of such program, 35 percent of such monthly educational assistance allowance.

"(2) In any month in which an individual pursuing a program of education consisting of a program of apprenticeship or other on-the-job training fails to complete 120 hours of training, the amount of the monthly educational assistance allowance payable under this chapter to the individual shall be limited to the same proportion of the applicable full-time rate as the number of hours worked during such month, rounded to the nearest 8 hours, bears to 120 hours.

"(3)(A) For each month that such an individual is paid a monthly educational assistance allowance under this chapter, the individual's entitlement under this chapter shall be charged at the rate of—

"(i) 75 percent of a month in the case of payments made in accordance with paragraph (1)(A) of this subsection;

"(ii) 55 percent of a month in the case of payments made in accordance with paragraph (1)(B) of this subsection; and

"(iii) 35 percent of a month in the case of payments made in accordance with paragraph (1)(C) of this subsection.

"(B) Any such charge to the entitlement shall be reduced proportionately in accordance with the reduction in payment under paragraph (2) of this subsection.

"(e)(1) Subject to paragraph (2) of this subsection, the amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 1402(3)(D) of title 38 is an amount equal to 75 percent of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

"(2) Educational assistance described in paragraph (1) of this subsection may not be paid for any month to such an individual

until the Administrator has received a certificate from the individual and the institution as to actual flight training received by, and the cost thereof to, the individual during that month.

"(f)(1)(A) The amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education exclusively by correspondence is equal to 55 percent of the established charge which the institution requires nonveterans to pay for the course or courses pursued by such individual.

"(B) For purposes of subparagraph (A) of paragraph (1) of this subsection, the term 'established charge' means the lesser of—

"(i) the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency; or

"(ii) the actual charge to the individual for such course or courses.

"(C) Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the individual and serviced by the institution.

"(2) In each case in which the amount of educational assistance is determined under paragraph (1) of this subsection or under subsection (e)(1) of this section, the period of entitlement of the individual concerned shall be charged with one month for each $140 which is paid to the individual as an educational assistance allowance.".

(c) PAYMENT FOR LESS THAN HALF-TIME PURSUIT OF A PROGRAM OF EDUCATION.—Section 2131(b) of such title is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(3) by inserting at the end the following new clause:

"(4) an appropriately reduced rate, as determined under regulations which the Administrator of Veterans' Affairs shall prescribe, for each month of less than half-time pursuit of a program of education, except that no payment may be made to a person for less than half-time pursuit if tuition assistance is otherwise available to the person for such pursuit from the military department concerned.".

(d) TIME OF ELIGIBILITY.—Section 2132(b) of such title is amended to read as follows:

"(b) Educational assistance may not be provided to a member under this chapter until the member has completed the initial period of active duty for training required of the member.".

SEC. 7. TECHNICAL AMENDMENTS.

(a) TITLE 38 AMENDMENTS—Title 38, United States Code, is amended as follows:

(1) Section 1402(3)(B) is amended by striking out "includes" and inserting in lieu thereof "in the case of an individual who is not on active duty, includes".

(2)(A) Section 1411(a)(1)(A)(i)(I) is amended by inserting ", as the individual's initial period of active duty," after "serves".

(B) Section 1412(a)(1)(A)(i) is amended by inserting ", as the individual's initial period of active duty," after "serves".

(3)(A) Section 1411(a)(2) is amended by inserting the following before the semicolon: ", except that an individual described in clause (1)(B) of this subsection may meet the requirement of this clause by having successfully completed the equivalent of 12 semester hours in a program of education leading to a standard college degree".

(B) Clause (2) of sections 1411(a) and 1412(a) is amended by striking out "received" and inserting in lieu thereof "completed the requirements of".

(4) Section 1413 is amended—

(A) in subsection (a)(2)—

(i) by striking out "In" and inserting in lieu thereof "Subject to section 1795 of this title, in"; and

(ii) by striking out "active duty" and all that follows through the period and inserting in lieu thereof "continuous active duty served by such individual after June 30, 1985.";

(B) in subsection (b)(1), by striking out "active duty" and all that follows through "title, and" and inserting in lieu thereof "continuous active duty served by such individual after June 30, 1985, and"; and

(C) in subsection (b)(2), by striking out "after the applicable date specified in clause (1) of this subsection" and inserting in lieu thereof "after June 30, 1985".

(5)(A) Section 1415(a) is amended by striking out "Subject" and all that follows through "except" and inserting in lieu thereof "The amount of payment of educational assistance under this chapter is subject to section 1432. Except".

(B) Section 1422(a) is amended by striking out "Subject" and all that follows through "except" and inserting in lieu thereof "The amount of payment of educational assistance under this chapter is subject to section 1432. Except".

(6) Section 1431(a) is amended by striking out "beginning on" and all that follows through the period and inserting in lieu thereof the following:

"beginning on the latest of the following:

"(1) The date of such individual's last discharge or release from active duty.

"(2) In the case of an individual who becomes entitled to such assistance under clause (A) or (B) of section 1412(a)(1) of this title, the date on which the four-year requirement described in clause (A)(ii) or (B)(ii), respectively, of such section 1412(a)(1) is met.

"(3) In the case of an individual who becomes entitled to such assistance under section 1411(a)(1)(B), January 1, 1990.".

(7) Section 1432(c)(3) is amended—

(A) by striking out "For" and inserting in lieu thereof "(A) Except as provided in subparagraph (B) of this paragraph, for";

(B) by redesignating clauses (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(C) by adding at the end the following new subparagraph:

"(B) Any such charge to the entitlement shall be reduced proportionately in accordance with the reduction in payment under paragraph (2) of this subsection.".

(8) Section 1673(d) is amended—

(A) by inserting "or under chapter 106 of title 10" before the period at the end of the first sentence; and

(B) by inserting "or under chapter 106 of title 10" after "of this title" in the third sentence.

(b) CHAPTER 106 AMENDMENTS.—Chapter 106 of title 10, United States Code, is amended as follows:

(1) Section 2131(c)(2) is amended by inserting before the period at the end the following: "(or the equivalent thereof in part-time educational assistance)".

(2) Section 2132(a)(2) is amended—

(A) by striking out "received" and inserting in lieu thereof "completed the requirements of"; and

(B) by inserting before the semicolon the following: ", or in the case of an individual who reenlists or extends an enlistment as described in paragraph (1)(A) of this subsection, completed such requirements at any time before July 1, 1985".

(3) Section 2132(c) is amended by adding the following sentence at the end: "At the request of the Administrator of Veterans' Affairs, the Secretary of Defense shall transmit a notice of entitlement for each such person to the Administrator.".

(4) Section 2132(d) is amended to read as follows:

"(d) An individual who serves in the Selected Reserve may not receive credit for such service under both the program established by chapter 30 of title 38 and the program established by this chapter but shall elect (in such form and manner as the Administrator of Veterans' Affairs may prescribe) the program to which such service is to be credited.".

(5) Section 2133 is amended—

(A) in subsection (a), by striking out "section" and inserting in lieu thereof "chapter"; and

(B) in subsection (b), by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and by adding as paragraph (1) the following new paragraph:

"(b)(1) In the case of a person separated from the Selected Reserve because of a disability which was not the result of the individual's own willful misconduct incurred on or after the date on which such person became entitled to educational assistance under this chapter, the period for using entitlement prescribed by subsection (a) shall be determined without regard to clause (2) of such subsection.".

(6) Section 2135 is amended—

(A) in subsection (a)(1), by inserting ", and during which the member has received such assistance," after "chapter"; and

(B) by striking out clause (A) of subsection (b)(1) and inserting in lieu thereof the following:

"(A) the number of months of obligated service the person has remaining under the agreement entered into under section 2131(a) of this title divided by the original number of months of such obligation; and".

Amend the title so as to read: "An Act to amend titles 10 and 38, United States Code, with respect to the Montgomery GI Bill, and for other purposes.".

INTRODUCTION

On July 23, 1987, the Honorable Wayne Dowdy, Chairman of the Subcommittee on Education, Training and Employment, introduced H.R. 3001, a bill which would provide a death benefit to certain survivors of a Montgomery GI Bill participant who dies while on active duty. The Subcommittee held a hearing on August 6, 1987, to review this bill. Witnesses at the hearing included: the Honorable Jim Slattery, the Honorable Dan Glickman, and representatives of the Veterans' Administration, the Department of Defense, U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, and the U.S. Coast Guard. Additionally, representatives of the following military associations appeared before the Subcommittee: Air Force Sergeants Association, Non-Commissioned Officers Association, National Association of Uniformed Services; Navy League of the U.S., and the Association of the United States Army. Also testifying were representatives from AMVETS and the Veterans of Foreign Wars.

The Subcommittee met on October 14 and 15, 1988, to review the following bills: H.R. 2950, a bill introduced by the Honorable Wayne Dowdy on July 15, 1987; H.R. 3180, introduced by the Honorable Chris Smith on August 6, 1987; H.R. 3208, introduced on August 7, 1987, by the Honorable Jim Jontz; and H.R. 3464, a bill introduced by the Honorable Tim Johnson on October 9, 1987.

Witnesses at these hearings included: the Honorable Tim Johnson, the Honorable Duncan Hunter, and representatives of the Veterans' Administration, Department of Defense, U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, and the U.S. Coast Guard. Also testifying were representatives of the following military associations: National Guard Association, Air Force Association, Reserve Forces Policy Board, Reserve Officers Association, Retired Officers Association, Navy League of the United States, Association of the U.S. Army, Fleet Reserve Association, Naval Reserve Association, Air Force Sergeants Association, Non-Commissioned Officers Association, and the National Association of Uniformed Services. Additionally, witnesses included representatives from AMVETS, Paralyzed Veterans of America, Veterans of Foreign Wars, and The American Legion.

The Subcommittee met on March 16, 1988, and unanimously recommended a clean bill to the full Committee. The proposal was introduced on March 22, 1988, as H.R. 4213. On March 23, 1988, the full Committee unanimously approved H.R. 4213, with amendments, and ordered the bill reported to the House.

MAJOR PROVISIONS OF H.R. 4213, AS AMENDED

The reported bill would:

1. Provide a death benefit to certain survivors of Montgomery GI Bill participants who die on active duty or within six years of date of discharge. The benefit amount would equal the amount reduced from the participant's basic pay under the GI Bill, minus any amount of Chapter 30 educational assistance that was paid to the individual.

2. Provide a benefit payment to a GI Bill participant who, while on active duty or within six years of date of discharge, becomes so physically or mentally handicapped that the individual is unable to go to school. The benefit payment would equal the amount reduced from the participant's basic pay under the Montgomery GI Bill, minus any amount of Chapter 30 educational assistance that was paid to the individual.

3. Authorize payment of benefits under the Montgomery GI Bill for flight training.

4. Provide that a GI Bill participant who is discharged from military service for a pre-existing medical condition would be entitled to one month of educational assistance for each month of active duty served by the individual.

5. Authorize the payment of benefits for refresher training.

6. Establish a one time, 60-day window of opportunity for service personnel who have not signed up for GI Bill participation to do so.

7. Permit those individuals going to school under the GI Bill program for the Selected Reserve (Chapter 106, title 10, USC) to pursue the same types of programs as those approved for active duty GI Bill participants (Chapter 30, title 38, USC).

8. Permit those training under the Montgomery GI Bill-Selected Reserve program to attend school on a less-than-half-time basis.

9. Eliminate the requirement under current law that an individual complete 180 days in the Selected Reserve before receiving educational assistance under the Montgomery GI Bill-Selected Reserve program.

Background

On October 19, 1984, Public Law 98–525, the Department of Defense Authorization Act, 1985, was signed into law. Title VII of this Act established, as a three year test program, a New GI Bill for the All-Volunteer Force. Subsequently, the New GI Bill Continuation Act (Public Law 100–48), was signed into law on June 1, 1987. This act renamed the program for its chief sponsor and advocate, the Honorable G. V. (Sonny) Montgomery, and established the Montgomery GI Bill as a permanent program.

The GI Bill was established to accomplish two purposes. Most importantly, the program was created to assist in the readjustment of veterans to civilian life following separation from military service. Additionally, it was designed to assist in the recruitment and retention of high quality personnel by the Armed Forces and to support the Total Force concept. Accordingly, the GI Bill consists of two components—the program of educational assistance for active duty service personnel (Chapter 30, title 38, United States Code) and the educational assistance program for members of the Selected Reserve (Chapter 106, title 10, United States Code).

Under current law, the Chapter 30 program, which is administered by the Veterans' Administration, provides that a servicemember initially entering on active duty on or after July 1, 1985, is entitled to basic educational assistance benefits unless the individual elects not to participate in the GI Bill. In exchange for three years of honorable service on active duty, or a combination of two years on active duty and four years in the Selected Reserve, a servicemember is entitled to $300 a month for a maximum of 36 months of full-time school attendance—a total of $10,800 in educational assistance. An individual with a two year active duty commitment is entitled to $250 a month for 36 months, a total of $9,000. These readjustment benefits are funded by the Veterans' Administration. Montgomery GI Bill participants agree to a nonrefundable, $100-per-month reduction in their basic pay for 12 months. These funds revert to the Treasury and, as of January 31, 1988, the basic pay reductions totalled nearly $396 million.

In addition to the basic readjustment benefits, qualified recruits who enlist for hard-to-fill occupational specialties *may* be eligible to receive additional benefits, popularly referred to as "kickers." These benefits, which are designed to assist the Armed Forces in force manning, are funded by the individual services.

Under the current Chapter 106 program, members of the Selected Reserve who enlist, reenlist, or extend for a period of not less than six years on or after July 1, 1985, are entitled to educational assistance benefits of up to $5,040 for undergraduate college training. No reduction in pay is required in order to establish eligibility under this program. The Department of Defense funds Chapter 106, and it is administered by the Veterans' Administration.

The Montgomery GI Bill has been extremely popular. Since its implementation on July 1, 1985, over 473,000 active duty servicemembers have elected to participate in the program and more than 87,000 members of the Selected Reserve have attended college under the program. Service participation rates for those entering on active duty during February 1988 are as follows: Army—90.2%; Navy—69.2%; Air Force—61.2%; Marine Corps—81.1%; and DOD-wide—77.2%.

Discussion of the Bill

Benefit in lieu of education assistance

Section 2 of the Committee bill would authorize a death benefit to be paid to certain survivors of a participant in the Montgomery GI Bill who dies, through no willful misconduct of the individual, on active duty or within six years of his or her date of discharge. The benefit level would equal the amount reduced from the participant's basic pay under the GI Bill, minus any amount of Chapter 30 educational assistance that was paid to the individual. This benefit would be retroactive to July 1, 1985.

This section would also authorize a benefit payment to a GI Bill participant who, while on active duty or within six years of date of discharge, becomes, through no willful misconduct of the individual, so physically or mentally disabled that the individual is unable to go to school. The benefit payment would equal the amount reduced from the participant's basic pay under the Montgomery GI

Bill, minus any amount of Chapter 30 educational assistance that was paid to the individual. This benefit would also be retroactive to July 1, 1985.

The Committee stresses that the new program is not a contributory program. Montgomery GI Bill participants agree to a lower rate of basic pay than those who elect not to enroll in the program and those who enroll in the program are taxed only on the reduced level of basic pay. The services are sensitive to the requirements of the GI Bill and make a point of ensuring that recruits understand all elements of the program. Additionally, all program participants must read and sign a document indicating they understand there is no refund, under any circumstance, of the reductions in their basic pay. It is also important to keep in mind that the Montgomery GI Bill was established for the peacetime All Volunteer Force and, as a result, requires a larger investment on the part of participants than the programs provided during times of war or conflict.

Nevertheless, it is the view of the Committee that the death of a Chapter 30 participant presents a unique circumstance which deserves exceptional consideration. In view of the immeasurable loss suffered by a family and loved ones when a servicemember dies, and because there is no possibility that the individual for whom the education program was designed will use the benefit, it would be a humane and compassionate gesture to provide the death benefit which would be authorized by H.R. 4213.

Since the end of the war in Vietnam, our Nation has enjoyed an extended period of peace. In recent years, however, the country has been reminded of how fragile peace can be and how costly it can be to maintain peace. The tragic loss of hundreds of Marines in Lebanon in 1983 shocked and deeply affected the country, as did the deaths, following a hostile attack in the Persian Gulf in 1987, of over 30 sailors, three of them GI Bill participants, on the U.S.S. Stark. The risks and stress associated with military service today are clear and the establishment of a death benefit for Montgomery GI Bill participants is appropriate.

Regarding the benefit which would be paid in the event that physical or mental disability prevents an individual from utilizing the GI Bill benefits, the Committee has given the Administrator total authority to determine who would be eligible under this provision. The Committee expects the Administrator to take all factors relative to potential cure, recovery or rehabilitation of the individual into account in order to ensure that the benefit payment does not prematurely eliminate future entitlement. Testimony presented by the Paralyzed Veterans of America before the Subcommittee on October 14, 1987, included the following comments which support the Committee position:

> "The assessment of total physical or mental disability can be, at times, an arbitrary or inconsistent determination. Judging from the position of our own membership, all of whom have incurred spinal cord injury or dysfunction, we are aware of many individuals who have suffered the most severe catastrophic disabling injuries, but for whom there is still the opportunity for rehabilitation, education, and retraining in order to lead productive lives."

Accordingly, the Committee cautions the Administrator to make a determination to grant this benefit only after a full evaluation of the individual's short and long-term rehabilitation potential.

DISCHARGE DUE TO PRE-EXISTING MEDICAL CONDITIONS

Section 3 of the Committee bill would provide that a GI Bill participant who is discharged from military service for a pre-existing medical condition would be entitled to one month of educational assistance for each month of active duty served by the individual. Under current law, a GI Bill participant discharged under these circumstances is ineligible for any benefits.

The effect of a discharge for pre-existing medical conditions on eligibility was overlooked in the original drafting of the Montgomery GI Bill and should now be addressed. An example of a situation which would be clarified by the Committee bill is that of a young man who enlisted in the Navy, participated in the GI Bill, and after eight months on active duty was discharged when it was ascertained he had a severe allergy to penicillin. Under the provisions of H.R. 4213, this young man would be provided with eight months of GI Bill benefits.

PROGRAMS OF EDUCATION

Section 4 of the Committee bill would include refresher/deficiency courses and flight training in those programs of education approved for Montgomery GI Bill participants. Refresher training would enable veterans to update their knowledge and skills so they can keep up with advances that may have occurred in their occupational field during and after their military service. For example, a veteran who was a typewriter repairman before entering military service may need a course to learn how to repair memory typewriters. This training would be limited to nine months.

A veteran would pursue a deficiency course if the veteran had not taken a subject in high school which is a prerequisite for a course the veteran wants to take in college. This section would also authorize payment for courses necessary to enable veterans to overcome weaknesses in particular areas of study. Many colleges now require freshmen to be tested in math, English and reading in order to determine where students belong in a class. Because of inadequate preparation or training in a high school course, some veterans must take special education courses before they can take the necessary college level courses.

Generally, these courses are offered at colleges although no college credit is given for their completion. Entitlement would be charged for these courses. The Committee believes that because the primary purpose of the GI Bill is to assist in the readjustment of a veteran to civilian life, refresher/deficiency courses are necessary in order to enhance readjustment.

This section of the Committee bill would also authorize pursuit of flight training for participants in the Montgomery GI Bill. This educational assistance allowance would be 75 percent of the established charges for tuition and fees.

Eligible candidates for flight training benefits would be required to possess a valid private pilot's license and meet medical require-

ments for a commercial pilot's license. In addition, flight school courses would have to meet Federal Aviation Administration standards and be approved by the State approving agency.

As pointed out to the Subcommittee in a statement submitted by the National Air Transportation Association, there is currently a shortage of qualified pilots. Although the total number of available pilots is decreasing, demand is growing. The Future Aviation Professionals of America (FAPA) projects that almost 32,000 pilots will be hired over the next ten years by large turbo-jet operators alone. Deregulation of the airlines, resulting in increases in the number of flights and overall size of commercial carriers, along with the expansion of regional airlines, has compounded the problem. The retirement of many older pilots which is occurring at the same time as the unprecedented expansion by the nation's airlines will enable those veterans receiving flight training to pursue a career in a high-demand profession.

TEMPORARY PERIOD OF ENROLLMENT

Section 5 of the Committee bill would provide a one time, 60-day window of opportunity for service personnel who disenrolled from the GI Bill to do so. During hearings held by the Subcommittee last October, the services acknowledged that in the early months of the Montgomery GI Bill, information they provided new recruits regarding the program was inadequate and the benefits of participation were not fully explained.

The Navy Montgomery GI Bill program manager told the Subcommittee:

> " . . . There were a large number of people who decided to disenroll from the program because they probably had never heard about it from their recruiter, and when they got to the recruit training commands, they weren't given a proper presentation on the program. And so they decided to disenroll. In the first year or so, I received a large number of phone calls and also congressional inquiries where individuals regretted their decision to disenroll."

It is the view of the Committee that because the services, with the exception of the Army, did not effectively advertise and implement the GI Bill in its early stages, those young people who were indirectly penalized should be given the opportunity to reconsider their initial decision to disenroll. The Committee stresses that the services must develop in the 31 days provided prior to implementation of this enrollment period effective plans for ensuring that all affected individuals are provided information regarding this opportunity.

ADDITIONAL PROGRAMS APPROVED FOR CHAPTER 106

Section 6 of H.R. 4213 would permit those individuals training under the GI Bill program for the Selected Reserve (Chapter 106, title 10, USC) to pursue the same types of programs as those approved for active duty GI Bill participants (Chapter 30, title 38, USC). Under current law, only undergraduate courses at institutions of higher learning are approved for members of the Reserves and National Guard. The Committee bill would expand approved

programs of study to include training at technical schools, on-job training, and graduate school.

Testimony presented to the Subcommittee by the witness representing the National Guard Association of the United States clearly stated the need for this provision:

> " . . . We believe Guard and Reserve participants under Chapter 106 should be given the same educational options provided to Chapter 30 participants . . . Expansion of the Chapter 106 program would be consistent with the requirements of advanced technology and quality leadership in today's environment. We believe that graduate level benefits would be particularly attractive to the Guard and Reserve participants. They are faced with combined pressures for additional education from their civilian employers and military commanders. A logical secondary by-product of graduate studies coverage would be enhanced by employer support because of the quality of individual experience being gained by employees through affiliation with the Guard and Reserve . . . The technical advances in equipment and training within the Army and Air national Guard require personnel with advanced levels of experience for successful operation. Some of our vital readiness skills require a hands-on vocational education learning environment rather than academic classroom situations. As has been demonstated under previous GI Bills, vocational education can be a cost effective avenue to a ready force and an improved civilian workforce."

PAYMENT FOR LESS THAN HALF-TIME TRAINING UNDER CHAPTER 106

Section 6 of the Committee bill would also authorize payment for less than half-time training under Chapter 106 of title 10, USC. Current law requires that an individual going to school under the Montgomery GI Bill-Guard and Reserves, attend school on at least a half-time basis. It is the Committee's view that frequently individuals are busy with work, families, and Reserve/Guard duties and do not have time to take two or more courses at a time. Many of those training under Chapter 106 are employed full-time at their civilian jobs and are attending classes at night. Those who want to continue their schooling but have limited time available for this purpose should not be excluded from using benefits under the Montgomery GI Bill.

Major General Roger P. Scheer, Chief, Air Force Reserve, U.S. Air Force, told the Subcommittee:

> " . . . The most significant change for us would be allowing for less than half-time participation since the reservist today spends so much time in just his Reserve duty. You add his full-time occupation to it, and there are simply some people that just cannot go to school half-time. But if they could take one course, it might fit into their schedules . . . our average air crew puts 110 days in a year. So, if he is one of these that wants to participate in school, it would be a burden."

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ELIMINATION OF THE 180 DAY REQUIREMENT FOR GUARD AND RESERVE EDUCATION BENEFITS

Additionally, section 6 of the Committee bill would eliminate the requirement under current law that an individual complete 180 days in the Selected Reserve before receiving educational assistance under the Montgomery GI Bill-Selected Reserve program. Under current law, educational assistance may not be provided to an individual until the service member has completed the initial period of active duty for training and completed 180 days of service in the Selected Reserve.

The Committee agrees with the analysis and comments regarding this situation made by the Army Program Manager for the Montgomery GI Bill during testimony before the Subcommittee:

> " . . . The last change that I would recommend is eliminating the 180-day requirement for those individuals to complete their initial active duty for training. In some cases this is before 180 days; in many cases it is after the 180 days, depending on the length of training. This seems to be a redundant requirement to have both of them there. As a result, it causes us—and granted, it's an administrative burden, but it's an administrative burden both for the reservist and guardsman and for the service to keep track of both in determining eligibility."

The Assistant Secretary of Defense for Reserve Affairs, in response to a question regarding the elimination of the 180-day requirement, responded as follows:

"Elimination of the 180-day Selected Reserve membership requirement as a precondition to eligibility for Chapter 106 benefits would improve the efficiency and effectiveness of the Montgomery GI Bill. In the great majority of nonprior service accessions, the 180-day requirement is satisfied during the member's initial active duty for training (IADT). Consequently, it is essentially redundant to the requirement to complete IADT . . . Yet, it requires separate data entries and monitoring—an unnecessary additional complication in an administrative system which is already unusually complex."

The Committee shares the views expressed by these witnesses and sees no reason to continue the current restriction on participation.

SECTION-BY-SECTION ANALYSIS OF H.R. 4213

Section 1.—The Act may be referred to as the "Montgomery GI Bill Amendments of 1988."

Section 2.—This provision of the bill would amend chapter 30 of title 38 to add section 1417. The new section would authorize the Administrator to pay a benefit to an individual entitled to educational assistance under chapter 30 who, while on active duty or within 6 years after discharge or release therefrom, has become so physically or mentally handicapped not due to the individual's willful misconduct as to be unable to use such educational assistance. The benefit payment would be in an amount equal to the amount of basic pay reduced as a result of the individual's participation in

the Montgomery GI Bill, less the total amount of educational assistance already paid the individual. Once such payment is made, the individual will have no further entitlement to chapter 30 educational assistance. The benefit payment also would be made to certain beneficiaries of an eligible chapter 30 participant who dies while on active duty or within 6 years after the individual's last discharge or release from active duty and through no willful misconduct of such individual. The conditions for tolling the 10-year delimiting period for using chapter 30 educational assistance, as set forth in subsections (b) through (d) of section 1431, would be applicable to the 6-year period described in this provision.

The payment authorized by this section would be considered payment of a benefit under title 38 and considered an entitlement earned under subchapter II of chapter 30 to be funded by the Veterans' Administration from amounts available for the payment of readjustment benefits.

A clerical amendment would add section 1417 to subchapter II of chapter 30.

Section 3.—This section would amend section 1411(a)(1) of title 38 to permit those chapter 30 participants who are discharged or released from active duty because of a pre-existing disability to become entitled to basic educational assistance in the same manner and to the same extent (i.e., 1 month of educational assistance for each month of active duty served) as those who are discharged or released from active duty for service-connected disability or hardship. This section would also make conforming and technical amendments. Essentially, these would conform section 1412(b)(1) to the provisions of section 1411(a) by providing that the 2-year minimum active duty requirement of section 1412(a)(1) is not applicable to an individual who is discharged or released prior to completing such service for a service-connected disability, a disability which pre-existed service, hardship, or, in the case of an individual discharged or released after completing at least 20 months of active duty, for the convenience of the Government; exempt from the 4-year Selected Reserve service requirement of section 1412 and from the section 3103A minimum service requirement those individuals who, prior to completing 2 years of active duty, are discharged or released for a service-connected disability; and include individuals who are discharged or released from the Selected Reserve for a pre-existing disability among the categories of individuals for whom the section 1412(a)(1) 4-year Selected Reserve service requirement is not applicable.

Section 4.—Section 4 amends section 1402(3) of title 38 to include within the definition of a "program of education" refresher, deficiency, and other preparatory or special education courses, as well as a program of flight training under certain specified criteria.

Flight training under section 1402(3) would have to be offered by an institution of higher learning for credit toward a standard college degree; generally accepted as necessary for a recognized vocational objective in aviation; or generally recognized as ancillary for pursuit of a vocational endeavor other than aviation. Further, the flight courses would have to meet FAA standards and be approved by the State approving agency. Finally, the eligible individual, as a prerequisite to pursuit of flight training, must have a valid private

pilot's license and meet the medical requirements necessary for a commercial pilot's license.

This section also would amend section 1432 to add a new subsection authorizing an educational assistance allowance for flight training at the rate of 75 percent of the established charges for tuition and fees and for correspondence training at a rate of 55 percent of the established charges, paid quarterly on a pro rata basis for the lessons completed and serviced. One month of entitlement would be charged for flight and correspondence training for each payment of educational assistance equal to the amount of monthly educational assistance the individual would otherwise be eligible to receive under this chapter. As a conforming amendment, this section would add a new subsection to section 1413 limiting the educational assistance for refresher courses to 9 months, or the equivalent thereof in part-time educational assistance. Amendments also would be made to section 1434 to conform the list of provisions applicable to administration of the program with the provisions governing pursuit of correspondence and flight training.

Section 5.—Section 5 would permit service personnel who had elected not to participate in the chapter 30 program a second opportunity to enroll in the program during a 60-day grace period beginning on the 31st day after the date of the enactment of this Act. Any individual enrolling in such program must (a) make a lump-sum payment of $1,200 to the Secretary concerned, (b) have his or her basic pay reduced as though the individual had originally participated in the program, or (c) combine the lump-sum payment and reduction in pay to equal $1,200. Any such payment is to be deposited in the miscellaneous receipts of the Treasury.

Any individual who enrolls in the chapter 30 program under this section and who has made the required lump-sum payment or reduction in pay, or both, equal to $1,200 is entitled to basic educational assistance in the same manner, under the same conditions, and to the same extent (with a stated exception) as an individual who originally became a GI Bill participant under chapter 30. Such individual shall be considered never to have elected otherwise. An exception is made for an individual who before meeting the $1,200 requirement through a reduction in basic pay or combination lump-sum payment and pay reduction, is discharged or released from active duty because of a service-connected disability, disability pre-existing service, or hardship. In such case the individual will receive educational assistance under chapter 30 in the amount of one month for each $100 of lump-sum payment, pay reduction, or both, not to exceed the number of months the individual served on active duty.

The Secretaries concerned are required to inform individuals of the opportunity to enroll in the chapter 30 program during the 60-day period provided by this section.

Section 6.—Section 6 would broaden section 2131(c)(1) of title 10 to permit those individuals going to school under the GI Bill program for the Selected Reserve (chapter 106, title 10, United States Code) to pursue the same types of programs of education as those approved for active duty GI Bill participants (chapter 30, title 38, United States Code). Section 2136(b) would be amended to conform the list of provisions applicable to administration of the program

with the provisions of this measure which expand the scope of educational pursuit for which assistance may be provided under chapter 106.

This section would also add a new subsection to section 2131 to provide that educational assistance and entitlement charge therefore in the case of an individual pursuing a full-time program of apprenticeship or other on-the-job training shall be at the rate of 75 percent of the monthly educational assistance allowance otherwise payable for each of the first 6 months and 75 percent of a month entitlement charge; 55 percent for each of the second 6 months, with a 55 percent of a month entitlement charge; and 35 percent for each of the months following the first 12 months of the individual's pursuit of such program, with 35 percent of a month entitlement charge therefore. In any month in which the individual fails to complete 120 hours of training, the allowance payable shall be in the same proportion as the number of hours worked during the month, rounded to the nearest 8 hours, bears to 120 hours. The entitlement charged shall also be reduced proportionately in accordance with the reduction in payment.

Pursuit of a program of flight and correspondence training would be allowed by this section in the same manner and under the same conditions as would apply to active duty GI Bill participants (chapter 30, title 38, United States Code) under sections 1402(3) and 1432, respectively, as amended by section 4 of this measure. However, entitlement would be charged for pursuit of such training at the rate of one month for each $140 paid to such individual as an educational assistance allowance under this chapter. Section 6 would also amend section 2131(b) to permit training under the chapter 106 Selected Reserve program on a less-than-half-time basis, unless tuition for such training is otherwise available. Finally, section 2132(b) would be amended to eliminate the requirement that an individual complete 180 days in the Selected Reserve before receiving educational assistance under chapter 106.

Section 7.—Section 7 contains various technical amendments to title 38 and chapter 106 of title 10 to clarify congressional intent. Title 38 amendments include changes to the sections pertaining to the basic educational assistance entitlement for service in the Selected Reserve and on active duty; the amount of basic educational assistance; the amount of supplemental educational assistance; the time limitation for use of eligibility and entitlement; the limitations on educational assistance for certain individuals; and the disapproval of enrollment in certain courses. The title 10, chapter 106 amendments include changes to the sections pertaining to the establishment and amount of the educational assistance program; the eligibility for educational assistance; the time limitation for use of entitlement; and the penalties for failure to participate satisfactorily. Section 7 would also amend the title of this measure to read: "An Act to amend titles 10 and 38, United States Code, with respect to the Montgomery GI Bill, and for other purposes."

Oversight Findings

August 9–11, 1987, the Chairman of the Subcommittee, accompanied by Committee staff members, visited basic training sites and

military installations in San Diego, California and Phoenix, Arizona. Specifically, the delegation visited the Naval Training Center and the Marine Corps Recruit Depot (MCRD), both in San Diego. The delegation also went to Phoenix where they toured the Naval & Marine Corps Reserve Center (NMCRC) and the Military Entrance Processing Station. The purpose of these visits was to observe and evaluate the implementation and effectiveness of the Montgomery GI Bill at each of these sites. Information gathered during these visits confirmed the need for certain changes in the Montgomery GI Bill.

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

CONGRESSIONAL BUDGET OFFICE CBO COST ESTIMATE

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill, H.R. 4213.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 11, 1988.

Hon. G.V. (SONNY) Montgomery,
Chairman, Committee on Veterans' Affairs,
U.S. House of Representatives,
Washington, D.C. 20515

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 4213, the Montgomery GI Bill Admendments of 1988, as ordered reported by the House Committee on Veterans' Affairs on March 23, 1988. This bill would provide a temporary enrollment period for the Montgomery GI Bill, expand reservist's education benefits and make other changes to the Montgomery GI Bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM,
Acting Director.

cc: Hon. Gerald B.H. Solomon
Ranking Minority Member

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 4213.
2. Bill title: Montgomery GI Bill Amendments of 1988.
3. Bill status: As ordered reported by the House Committee on Veterans' Affairs, March 23, 1988.
4. Bill purpose: To amend title 38, United States Code, and title 10, United States Code, to provide a temporary enrollment period for the Montgomery GI Bill, to expand reservist's education benefits and for other purposes.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 050:					
Budget authority	73	22	23	23	23
Outlays	73	22	23	23	23
Function 700:					
Budget authority	-24	8	14	19	21
Outlays	-73	15	24	28	30
Total:					
Budget authority	49	30	37	42	44
Outlays	0	37	47	51	53

BASIS OF ESTIMATE

Section 2. Section 2 would provide for refunds of the contributions of certain service personnel to the Montgomery GI Bill. Anyone who dies or is determined by the Veterans' Administration (VA) to be severely physically or mentally handicapped while on active duty or within six years of their separation from military service would be eligible for the refund. The amount of the refund would be equal to the service person's total contributions minus any education benefits that have been paid.

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 700:					
Budget authority	2	1	1	2	2
Outlays	2	1	1	2	2

In 1989 we estimate about 2050 refunds under this bill. This number takes into account expected deaths and disabilities from 1985 through 1989. Approximately 1250 refunds are expected in 1990, and this number rises to around 1950 by 1993. The expected number of deaths was derived from information from the Department of Defense (DOD) on the death rate of active military personnel and from age specific death rates for the civilian population. Civilian age specific disability rates were used to estimate the number of disabilities. We assumed that the average refund would equal $900.

Section 3. Section 3 would provide an educational entitlement for certain people who are discharged from the service for a disability that existed prior to entering the service. A person who contributed to the Montgomery GI Bill would receive one month of entitlement for each month of service completed, up to 36 months (or 24 months if the initial service obligation was for two years).

Based on data from the Defense Manpower Data Center (DMDC), we assume the average entitlement earned would be nine months. The number of people affected by this provision would rise from approximately 425 in 1989 to approximately 950 in 1993. The

number of people we expect to train would not, however, be large enough to increase costs significantly in fiscal years 1989 through 1993.

Section 4. Section 4 would allow individuals entitled to educational assistance under the Montgomery GI bill to receive refresher courses and flight training. For those needing them, refresher courses would provide additional assistance in knowledge or skill areas or instruction in technological advances for the purposes of participating in a particular program of education. An individual using flight training would be required to have a private pilot's license, meet the medical requirements necessary for a commercial pilot's license, and train at an approved institution. Flight training must be for work in the field of aviation and approved by the VA.

REFRESHER TRAINING

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 050					
DOD Contributions for the Education Benefits Fund:					
Budget authority	16	3	3	3	3
Outlays	16	3	3	3	3
Function 700					
Readjustment Benefits:					
Budget authority	3	6	8	9	10
Outlays	3	6	8	9	10
Education Benefits Fund:					
Budget authority	16	3	3	3	3
Outlays	3	5	5	5	5
Offsetting Receipt for DOD Construction:					
Budget authority	−16	−3	−3	−3	−3
Outlays	−16	−3	−3	−3	−3
Total:					
Budget authority	19	9	11	12	13
Outlays	6	11	13	14	15

Assistance for refresher courses would be limited to nine months, and any assistance would be charged against an individual's entitlement. Based on conversations with personnel at the VA, we assume that ten percent of total trainees would make use of refresher courses. Since a person's entitlement would be charged for refresher training, a cost impact for this provision would only result from trainees who would not be expected to use their full entitlement in the absence of this option. We assume that 60 percent of those using refresher training would not have used their whole entitlement otherwise. We also assume that they average three months of benefits for refresher courses. Costs in function 050 include the use of refresher training by reservists.

FLIGHT TRAINING

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 700					
Readjustment Benefits:					
Budget authority	1	1	1	2	2
Outlays	1	1	1	2	2

Flight trainees would be reimbursed at 75 percent of the flight school's established charges for tuition and fees. Under current law, service members are entitled to a total benefit which may not be paid out faster than a fixed monthly benefit level. This section, however, eliminates the ceiling on monthly payments for flight training.

This estimate is based on a 1980 VA study of flight training by post-Korean conflict and Vietnam era veterans and in-service personnel and on previous CBO analyses. We assume that this provision would not increase the number of service members who sign up for the Montgomery GI Bill but would cause more service members who are already eligible to use their benefits.

This provision would cause approximately 230 additional eligible veterans to use their GI bill benefits in fiscal year 1989. The number would increase by 1993 to about 740. The rising number is a result of the increasing number of service members who will be eligibile under current law for benefits under chapter 30. We assume an average yearly flight training benefit of $2,470 that would be paid out of the basic entitlement.

Section 5. Section 5 would allow a 60-day temporary enrollment period for anyone who had previously decided not to participate in the Montgomery GI Bill. Anyone who decides to participate would have to contribute a total of $1,200. Constructions could be made by lump sum, monthly reductions in pay, or a combination of both.

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 700					
Readjustment Benefits:					
Budget authority	[1]	1	2	3	4
Outlays	[1]	1	2	3	4
Deductions from Pay:					
Budget authority	−31	−4	0	0	0
Outlays	−31	−4	0	0	0
Total:					
Budget authority	−31	−3	2	3	4
Outlays	−31	−3	2	3	4

[1] Less than $500,000.

This provision would affect anyone who is eligible to sign up for the Montgomery GI Bill and entered the service between 1985 and 1988. We assume that 5 percent of the individuals remaining in the service from the 1985 through 1988 accession cohorts would take

advantage of this sign-up window. Officers were not assumed to take advantage of this option since they have had a consistently high participation rate. From the enlisted group about 29,000 additional service personnel were expected to sign up. This number is based on the projected number of the 1985 through 1988 cohorts who would be expected to complete the required three years of active service (or two years for those entering the Selected Reserve) to become eligible for benefits. We assume that 25 percent of those participating would make a $600 lump sum payment and then pay the remainder by reductions in their monthly pay equal to $100. The remaining 75 percent of additional participants are expected to make their entire contributions through monthly reductions in pay. We assume that no supplemental benefits would be offered to these new participants.

Section 6. Section 6 would expand reservists' benefits to include all educational programs offered to active service personnel. It would also allow for less-than-half-time training and remove the 180-day reserve duty requirement for eligibility.

EXPANDED BENEFITS

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 050					
DOD Contribution to the Educational Benefits Fund:					
Budget authority	57	19	20	20	20
Outlays	57	19	20	20	20
Function 700					
Educational Benefits Fund:					
Budget authority	58	22	22	23	23
Outlays	19	23	26	26	26
DOD Offsetting Receipts:					
Budget authority	-57	-19	-20	-20	-20
Outlays	-57	-19	-20	-20	-20
Total:					
Budget authority	58	22	22	23	23
Outlays	19	23	26	26	26

Under current law reservists may not use their Montgomery GI Bill benefits to participate in graduate study or vocational, technical, correspondence, or flight training. This bill would allow them these opportunities. Based on education-program-specific training information for veterans in the Vietnam-era GI Bill program, we assume a 20-percent increase in overall training as a result of this expansion of education programs. The Vietnam-era GI Bill offered the same types of benefits that the Montgomery GI Bill offers.

The Department of Defense (DOD) would fund reserve benefits in their entirety on an accrual basis. The accrual charge in 1989 takes into account the additional training expected by the reserve cohorts entering between July 1, 1985 and the end of fiscal year 1989. The accrual charges for 1990–1993 reflect only the additional training expected by the cohorts entering in each of those years.

Less than Half-Time Training. We assume that the addition of less-than-half-time training would have no significant cost impact. The Army reserve components, which constitute 65 percent of the

reserve force, have a tuition assistance program available to them that is more generous than the Montgomery GI Bill reservists' benefits for less-than-half-time training. For the remainder of the reserve force, some people could actually reduce their training when given an opportunity to receive a proportionately lower benefit for proportionately fewer classes. We assume that the number of people who would initiate training because of this provision would be offset by those who would reduce their training.

REMOVAL OF THE 180 DAY REQUIREMENT

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Function 700					
Educational Benefits Fund:					
Budget authority	0	0	0	0	0
Outlays	3	4	4	4	4

Under current law reservists must complete 180 days of service in the Selected Reserve and complete the initial period of active duty training before they can train under the Montgomery GI Bill. This provision to remove the 180-day service requirement would only affect people with prior active duty service. Prior service personnel already have the requisite active duty training (which for non-prior service personnel takes approximately 180 days to complete).

Based on information from DMDC we assume that five percent of eligible reservists have prior active military service. We assume that, by removing the 180-day service requirement, training by prior service reservists would take place 180 days (or a half year) sooner. This would not increase total costs but would move outlays forward by a half year. The table above reflects this shift forward.

6. Estimated cost to State and local governments: The Congressional Budget Office has determined that the budgets of State and local governments would not be directly affected by enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: On August 17, 1987, CBO prepared an estimate of H.R. 2950 which provided flight training for Montgomery GI Bill participants.

9. Estimate prepared by: Richard Curley (226–2820).

10. Estimate approved by:

C. G. NUCKOLS,

(For James L. Blum, Assistant Director for Budget Analysis.)

INFLATIONARY IMPACT STATEMENT

The reported bill provides a modest expansion in the availability of courses of study. This change will have no inflationary impact.

AGENCY REPORTS

The Committee received the following letter from the Veterans' Administration on the reported bill.

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., April 20, 1988.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans Affairs,
U.S. House of Representatives,
Washington, D.C. 20515

DEAR MR. CHAIRMAN: I am pleased to respond to your request for the views of the Veterans' Administration and our estimate of costs concerning H.R. 4213, a bill "To amend title 38, United States Code, with respect to the Montgomery GI Bill."

The Veterans' Administration agrees in concept with some provisions of this bill, but cannot support enactment of the measure as drafted for the reasons explained below.

This measure would amend the Montgomery GI Bill-Active Duty (38 U.S.C., ch. 30) by adding a new section (section 1417) to chapter 30 which would authorize a one-time payment to an individual who is prevented by physical or mental disability or death occurring while on active duty or within 6 years of discharge or release therefrom, not a result of the individual's willful misconduct, from using his or her accrued educational assistance benefits under such chapter. The payment would equal the amount reduced from the individual's basic pay as a result of program participation, less the amount previously paid as chapter 30 educational assistance. In the case of death, the payment would be made to the participant's beneficiaries in a specified order of preference. A disabled participant who receives the payment would not thereafter be entitled to chapter 30 education benefits.

H.R. 4213 would make the following additional amendments to chapter 30: make a chapter 30 participant who is discharged or released from active duty for a pre-existing disability entitled to educational assistance benefits under such chapter to the same extent, in the same manner, and under the same conditions as an individual who is discharged or released from active duty for a service-connected disability or hardship; permit pursuit of flight training under provisions similar to those which governed such pursuit under chapter 34 of title 38, but with payment at 75 percent of tuition and fee charges; allow a chapter 30 participant to pursue, with a charge to entitlement, up to 9 months of refresher training needed to update his or her knowledge and skills, as well as deficiency or special preparatory courses necessary to enable the individual to pursue an approved program of education; and permit persons on active duty who had elected not to participate in the program a one-time 60-day grace period, following the date of enactment, within which to enroll in the program and, thereafter, become entitled to educational assistance, subject to making a lump-sum payment, reduction in basic pay, or both, comparable to the pay reduction required of those who had not made such election.

This measure also would make certain amendments to the Montgomery GI Bill-Selected Reserve (lO U.S.C., ch. 106). It would eliminate the requirement that an individual must complete 180 days of Selected Reserve service before becoming eligible to receive educa-

tional assistance, retaining the requirement that the individual have completed the initial active duty for training period in order to receive such assistance. Further, it would replace the limitation on providing educational assistance only for pursuit of a program of education at an institution of higher learning, not beyond the award of a baccalaureate degree, with authorization to pursue any program of education approved for purposes of chapter 30 of title 38, and would add provisions similar to existing chapter 30 provisions (as well as provisions added to such chapter by this measure) governing pursuit of flight training and apprenticeship or other on-the-job training. Last, it would authorize benefit payment for less than half-time program pursuit and would make various technical amendments to the chapter 106 program.

We have previously testified, during hearings held by your Committee last October, and also reported on three bills, H.R. 2950, H.R. 3180 and H.R. 3208, which contain provisions similar in substance to most of the provisions of this measure. In regard to a provision of H.R. 3208 granting a compensation payment in lieu of education benefits in the event an eligible chapter 30 participant is prevented by death or disability from using such benefits, we stated that the Veterans' Administration could support such a provision if appropriately limited. We find that the "[c]ertain benefit payment" provisions of proposed section 1417, which this bill would add to chapter 30, address most of our concerns with the H.R. 3208 version, including reducing the payment by the amount of educational benefits already paid and incorporating a willful misconduct provision.

The proposed section 1417 would require entitlement of the participant to educational assistance as a prerequisite to such disability or death benefit payment. Thus, we note that the focus is on those who are prevented from using their benefit entitlement, not on those who are prevented from qualifying therefor. The Veterans' Administration does not object to such concept. However, we suggest that consideration be given to establishing parity between eligibility for the disability benefit and the death benefit by paying the latter in the event a participant dies on active duty before completing the minimum service requirements for chapter 30 entitlement. (An individual discharged or released from active duty for a service-connected disability is not subject to such requirement.) With this modification, we could support such provision.

During the aforementioned hearing before the Committee on October 15, 1987, the Department of Defense recommended amending chapter 30 to provide relief to certain categories of Montgomery GI Bill participants who, due to early discharge, do not qualify for educational assistance benefits under that chapter. The Department recommended that such participants be awarded prorated benefits based on the number of months of active duty served. The Veterans' Administration agrees with such recommendation and supports the provision of this bill which would grant chapter 30 entitlement to those discharged early for a pre-existing medical condition (one of the categories covered in the Defense Department's recommendation) on the same basis as those discharged for service-connected disability or hardship.

With regard to this bill's flight training provisions, we reiterate our opposition to introducing a program of vocational flight training as part of the Montgomery GI Bill for the reasons stated in our report dated August 11, 1987, on H.R. 2950, a bill containing similar provisions (copy enclosed).

As to the provision of this bill which would grant service-persons a second opportunity to enroll in the chapter 30 program during a 60-day period following date of enactment, we continue to agree with the Defense Department's position, expressed in last year's testimony on H.R. 3208, opposing such a provision. It would increase program cost without providing additional recruiting benefits to the Armed Forces, and act in opposition to retention efforts.

We have not previously testified concerning the provision which would include refresher training under the Montgomery GI Bill. We note that provisions authorizing pursuit of refresher training were added by Public Law 91-219 (March 26, 1970) to the Vietnam era GI Bill education benefit program as part of a then crucial initiative to facilitate the readjustment of Vietnam veterans to civilian life. Effective readjustment remains a significant issue and an important integral part of the veterans' benefits structure, as attested by its inclusion as one of the express purposes of the Montgomery GI Bill. We view refresher training as a clearly appropriate program component for implementing the readjustment purposes of the Montgomery GI Bill-Active Duty.

Individuals returning to civilian life in many cases face immediate exposure to current advances, in some cases high technology, in their chosen fields. The rapid changes in modern industry often may require that individuals who for some time have been removed from civilian occupational experience must upgrade their skills and knowledge. Without the type of training proposed here, such individuals would step out of military uniform only to find themselves out of step with current thinking and teaching and, perhaps, out of a job. With such training, however, another of the stated purposes of the Montgomery GI Bill would be facilitated: enhancement of our Nation's competitiveness through a more highly educated work force.

Thus, the Veterans' Administration would support favorable consideration of the refresher training provision for chapter 30, but would defer to the views of the Department of Defense as to pursuit of such training under the chapter 106 program.

The remaining provisions of H.R. 4213 would expand and make certain technical amendments to the chapter 106 program for the Selected Reserve. Since this title 10 program is within the jurisdiction of the Defense Department, the Veterans' Administration defers to the views of that Department on such provisions.

We estimate that enactment of sections 1 through 6 of this measure would result in additional benefit costs of less than $1 million during any of the next 5 fiscal years. The costs applicable to section 7 of the bill, which would make substantive amendments to the chapter 106 program, would be paid by the Department of Defense. Accordingly, we would defer as to such cost estimates to the actuaries charged with making budget estimates for the Department of Defense Education Trust Fund.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this report on H.R. 4213 to the Congress.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

Enclosure.

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., April 11, 1987.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans Affairs,
U.S. House of Representatives,
Washington, D.C. 20515

DEAR MR. CHAIRMAN: I am pleased to respond to your request for the views of the Veterans' Administration and our estimate of costs concerning H.R. 2950, a bill "To amend the Montgomery GI Bill with respect to flight training."

We are opposed to the introduction of vocational flight training in the Montgomery GI Bill-Active Duty (chapter 30) program. We defer to the views of the Department of Defense on the merits of this proposal with regard to the Montgomery GI Bill-Reserves (chapter 106) program.

H.R. 2950 would authorize payment of Montgomery GI Bill benefits for pursuit of programs of vocational flight training necessary for the attainment of a recognized vocational objective in the field of aviation; or recognized as ancillary to the pursuit of a vocational endeavor other than aviation. This measure would retain such payment authorization for pursuit of flight training if offered by an institution of higher learning for credit toward a standard college or university degree.

Under this measure, the eligible individual must possess a valid private pilot's license and meet the medical requirements necessary for a commercial pilot's license; the flight school courses must meet the Federal Aviation Administration standards and be approved by the State approving agency.

An individual pursuing a program exclusively of vocational flight training would be paid an educational assistance allowance at the rate of 75 percent of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay. An individual's entitlement would be charged 1 month for each payment that is equal to the total amount of basic monthly educational assistance that the individual is eligible to receive under the Montgomery GI Bill-Active Duty. A reservist training under the Montgomery GI Bill-Reserves would be charged 1 month of entitlement for each $140 paid to that individual.

On July 11, 1978, the Veterans' Administration sent to Congress a report of a study of vocational objectives (under the noncontributory GI Bill) prepared pursuant to Public Law 94-502. The report contained, what was then, the most recent compilation of data relative to the effectiveness of the flight training program under the noncontributory GI Bill (chapter 34). This study supported the conclusion that flight training was not achieving its intended purpose to help provide a source of continuing substantial professional employment.

In the area of flight training, the study pointed out that, although completion rates were high, graduates accepted very limited part-time employment for the purpose of free or reduced flying charges rather than for professional employment. In terms of full-time paid jobs, it was our view that placement was significantly lower.

In 1979, in response to the VA's proposal to terminate GI Bill benefits for flight training, Senator Alan Cranston requested the General Accounting Office (GAO) to survey a representative sample of GI Bill trainees who had completed flight training or correspondence courses within the previous 5 years to determine whether their full-time occupations were related to the training they received under the GI Bill. The report of that survey, *GI Bill Benefits for Flight and Correspondence Training Should Be Discontinued HRD-79-115,* supported the proposal to terminate flight training because the program had not achieved its intended purpose and had not led to continuing substantial employment of trainees.

Thus, the history of flight training under the noncontributory GI Bill (chapter 34) clearly reflects that this training did not lead to jobs for the majority of trainees and the courses tended to serve avocational, recreational and/or personal enrich-

ment goals, rather than basic employment objectives. The provisions of H.R. 2950 are substantially similar to those contained in the noncontributory GI Bill which resulted in quite serious problems and abuses. We find nothing to indicate that those same problems and abuses would not persist with regard to flight training under the Montgomery GI Bill.

We estimate that the enactment of the H.R. 2950 provisions authorizing flight training under chapter 30 would result in insignificant benefit costs or savings; i.e., less than $1 million per year. Administrative costs would be insignificant, as well; i.e., less than $100,000. Training under the chapter 30 program is dependent on participation while in the service. It is highly unlikely that an individual entering active duty would now elect to participate in this program because of the availability of flight training several years in the future. Rather, participation is expected to be affected by the perceived value of future educational benefits without regard to the type of training. Some savings might result from paying flight training benefits at 75 percent of the established rates, but these would be insignificant.

During the peak years of chapter 34 training, approximately 3.7 percent of all trainees were enrolled in flight training. It is anticipated that the number of trainees under chapter 30 would be more limited than under chapter 34. Many of the chapter 34 flight trainees had been military pilots and, therefore, found the private pilot's license required for entering flight training easy to obtain. It is doubtful that many military pilots will be eligible for chapter 30 benefits because they will be graduates of one of the military academies and, consequently, excluded from this program under subsections 1411(c)(2) and 1412(d)(2). Moreover, others will have already obtained an undergraduate degree prior to entering active duty and, thus, not be interested in participating in the chapter 30 program. Accordingly, it is expected that fewer than 500 individuals would be enrolled in a chapter 30 flight training program even in the peak years.

The cost of adding flight training to chapter 106 may be more significant. These costs would be paid by the Department of Defense, and the estimates of these costs should be made by the actuaries charged with making budget estimates for the Department of Defense Education Trust Fund.

For the reasons stated, we do not favor enactment of this measure.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this report on H.R. 2950 to the Congress.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 4213 as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * * * *

CHAPTER 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM

SUBCHAPTER I—PURPOSES; DEFINITIONS

Sec.
1401. Purposes.
1402. Definitions.

SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

1411. Basic educational assistance entitlement for service on active duty.
1412. Basic educational assistance entitlement for service in the Selected Reserve.
1413. Duration of basic educational assistance.
1414. Payment of basic educational assistance.
1415. Amount of basic educational assistance.
1416. Inservice enrollment in a program or education.
1417. Certain benefit payment.

SUBCHAPTER III—SUPPLEMENTAL EDUCATIONAL ASSISTANCE

1421. Supplemental educational assistance for additional service.
1422. Amount of supplemental educational assistance.
1423. Payment of supplemental educational assistance under this chapter.

SUBCHAPTER IV—TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT; GENERAL AND ADMINISTRATIVE PROVISIONS

1431. Time limitation for use of eligibility and entitlement.
1432. Limitations on educational assistance for certain individuals.
1433. Bar to duplication of educational assistance benefits.
1434. Program administration.
1435. Allocation of administration and of program costs.
1436. Reporting requirement.

Subchapter I—Purposes; Definitions

* * * * * * *

§ 1402. Definitions

For the purposes of this chapter—

(1) The term "basic educational assistance" means educational assistance provided under subchapter II of this chapter.

(2) The term "supplemental educational assistance" means educational assistance provided under subchapter III of this chapter.

(3) The term "program of education"—

(A) has the meaning given such term in section 1652(b) of this title, [and]

(B) [includes] *in the case of an individual who is not on active duty, includes* a full-time program of apprenticeship or of other on-job training approved as provided in clause (1) or (2), as appropriate, of section 1787(a) of this title[.],

(C) includes refresher courses (including courses which will permit such individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual's field of employment), deficiency courses, or other preparatory or special education or training courses necessary to enable the individual to pursue an approved program of education described in the other clauses of this paragraph; and

(D) includes a program of flight training if—

(i) such training is—

(I) offered by an instruction of higher learning for credit toward a standard college degree;

(II) generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation; or

(III) generally recognized as ancillary to the pursuit of a vocational endeavor other than aviation;

(ii) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

(iii) the flight training courses meet the Federal Aviation Administration standards and are approved by the State approving agency.

* * * * * * *

Subchapter II—Basic Educational Assistance

§ 1411. Basic educational assistance entitlement for service on active duty

(a) Except as provided in subsection (c) of this section, each individual—

(1) who—

(A) after June 30, 1985, first becomes a member of the Armed Forces or first enters on active duty as a member of the Armed Forces and—

(i) who (I) serves; *as the individual's initial period of active duty,* at least three years of continuous active duty in the Armed Forces, or (II) in the case of an individual whose initial period of active duty is less than three three years, serves at least two years of continuous active duty in the Armed Forces; or

(ii) who serves in the Armed Forces and is discharged or released from active duty (I) for a service-

connected disability, *for a disability that existed before the individual's becoming or entering on active duty as a member of the Armed Forces,* or for hardship, or (II), for the convenience of the Government, in the case of an indiviual who completed not less than 20 months of continuous active duty, if the initial obligated period of active duty of the individual was less than three years, or in the case of an individual who completed not less than 30 months of continuous active duty if the initial obligated period of active duty of the individual was at least three years; or

(B) as of December 31, 1989, is eligible for educational assistance benefits under chapter 34 of this title and was on active duty on October 19, 1984, and without a break in service since October 19, 1984, and—

(i) after June 30, 1985, serves at least three years of continuous active duty in the Armed Forces; or

(ii) after June 30, 1985, is discharged or released from active duty (I) for a service-connected disability, *for a disability that existed before the individual's becoming or entering on active duty as a member of the Armed Forces,* or for hardship, or (II) for the convenience of the Government, if the individual completed not less than 30 months of continuous active duty after that date;

(2) who, before completion of the service described in clause (1) of this subsection, has [received] *completed the requirements of* a secondary school diploma (or an equivalency certificate), *except that an individual described in clause (1)(B) of this subsection may meet the requirement of this clause by having successfully completed the equivalent of 12 semester hours in a program of education leading to a standard college degree;*

* * * * * * *

§ 1412. Basic educational assistance entitlement for service in the Selected Reserve

(a) Except as provided in subsection (d) of this section, each individual—

(1) who—

(A) after June 30, 1985, first becomes a member of the Armed Forces or first enters on active duty as a member of the Armed Forces and—

(i) serves, *as the individual's initial period of active duty,* at least two years of continuous active duty in the Armed Forces, *subject to subsection (b),* characterized by the Secretary concerned as honorable service; and

(ii) subject to subsection (b) of this section and after completion of the service on active duty described in subclause (i) of this clause, serves at least four years of continuous duty in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned; or

(B) as of December 31, 1989, is eligible for educational assistance under chapter 34 of this title and was on active duty on October 19, 1984, and without a break in service since October 19, 1984, and—

(i) after June 30, 1985, serves at least two years of continuous active duty in the Armed Forces, *subject to subsection (b),* characterized by the Secretary concerned as honorable service; and

* * * * * * *

(2) who, before completion of the service described in clause (1) of this subsection, has [received] *completed the requirements of* a secondary school diploma (or an equivalency certificate); and

* * * * * * *

[(b)(1) The requirement of four years of service under clauses (1)(A)(ii) and (1)(B)(ii) of subsection (a) of this section is not applicable to an individual who is discharged or released from service in the Selected Reserve for a service-connected disability, for hardship, or (in the case of an individual discharged or released after three and one-half years of such service) for the convenience of the Government.]

(b)(1)(A) The requirement of two years of service under clauses (1)(A)(i) and (1)(B)(i) of subsection (a) of this section is not applicable to an individual who is discharged or released, during such two years, from active duty in the Armed Forces for a service-connected disability, for a disability that existed before the individual's becoming or entering on active duty as a member of the Armed Forces, for hardship, or (in the case of an individual discharged or released after 20 months of such service) for the convenience of the Government.

(B) The requirement of four years of service under clauses (1)(A)(ii) and (1)(B)(ii) of subsection (a) of this section is not applicable to an individual—

(i) who, during the two years of service described in clauses (1)(A)(i) and (1)(B)(i) of subsection (a) of this section, was discharged or released from active duty in the Armed Forces for a service-connected disability; or

(ii) who, during the four years of service described in clauses (1)(A)(ii) and (1)(B)(ii) of subsection (a) of this section, is discharged or released from service in the Selected Reserve for a service-connected disability, for a disability that existed before the individual's becoming a member of the Selected Reserve, for hardship, or (in the case of an individual discharged or released after 30 months of such service) for the convenience of the Government.

* * * * * * *

§ 1413. Duration of basic educational assistance

(a)(1) Subject to section 1795 of this title and except as provided in paragraph (2) of this subsection, each individual entitled to basic educational assistance under section 1411 of this title is entitled to

36 months of educational assistance benefits under this chapter (or the equivalent thereof in part-time educational assistance).

(2) [In] *Subject to section 1795 of this title, in* the case of an individual described in section 1411(a)(1)(A)(ii)(I) of this title who is not also described in section 1411(A)(1)(A)(i) of this title or an individual described in section 1411(a)(1)(B)(ii)(I) of this title who is not also described in section 1411(a)(1)(B)(i) of this title, the individual is entitled to one month of educational assistance benefits under this chapter for each month of [active duty served by such individual after the date of the beginning of the period for which the individual's basic pay is reduced under section 1411(b) of this title, in the case of an individual described in section 1411(a)(1)(A)(ii)(I) of this title, or after June 30, 1985, in the case of an individual described in section 1411(a)(1)(B)(ii)(I) of this title.] *continuous active duty served by such individual after June 30, 1985.*

(b) Subject to section 1795 of this title and subsection (c) of this section, each individual entitled to basic educational assistance under section 1412 of this title is entitled to (1) one month of educational assistance benefits under this chapter for each month of [active duty served by such individual after the date of the beginning of the period for which such individual's basic pay is reduced under section 1412(c) of this title, in the case of an individual described in section 1412(a)(1)(A), or after June 30, 1985, in the case of an individual described in section 1412(a)(1)(B) of this title, and] *continuous active duty served by such individual after June 30, 1985, and* (2) one month of educational assistance benefits under this chapter for each four months served by such individual in the Selected Reserve [after the applicable date specified in clause (1) of this subsection] *after June 30, 1985* (other than any month in which the individual served on active duty).

* * * * * * *

(d) The Administrator may not pay educational assistance to an individual for more than nine months (or the equivalent thereof in part-time educational assistance) for the pursuit of refresher courses which will permit such individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual's field of employment.

* * * * * * *

§ 1415. Amount of basic educational assistance

(a) [Subject to section 1432 of this title and except] *The amount of payment of educational assistance under this chapter is subject to section 1432. Except* as otherwise provided in subsections (b) and (c) of this section, a basic educational assistance allowance under this subchapter shall be paid—

(1) at the monthly rate of $300 for an approved program of education pursued on a full-time basis; or

(2) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, for an approved program of education pursued on less than a full-time basis.

* * * * * * *

§ 1417. Certain benefit payment

(a) The Administrator shall make a payment in the amount described in subsection (c) of this section to any individual—

(1) who is entitled to basic educational assistance under this chapter; and

(2) with respect to whom the Administrator has made a determination that the individual has become, while on active duty in the Armed Forces or within 6 years after the individual's last discharge or release from active duty and through no willful misconduct of the individual, so physically or mentally handicapped that the individual is unable to utilize educational assistance under this chapter.

(b)(1) In the event of the death of any individual—

(A) who—

(i) is entitled to basic educational assistance under this chapter; or

(ii) is on active duty in the Armed Forces or is serving in the Selected Reserve and but for section 1411(a)(1)(A)(i) or clause (i) or (ii) of 1412(a)(1)(A) of this title would be eligible for such basic educational assistance; and

(B) who dies while on active duty in the Armed Forces or within 6 years after the date of the individual's last discharge or release from active duty and through no willful misconduct of the individual,

the administrator shall make a payment in the amount described in subsection (c) of this section to the living person or persons described in paragraph (2) of this subsection.

(2) The payment referred to in paragraph (1) of this subsection shall be made to the living person or persons first listed below:

(A) The beneficiary or beneficiaries designated by such individual under such individual's Servicemen's Group Life Insurance policy.

(B) The surviving spouse of the individual.

(C) The surviving child or children of the individual, in equal shares.

(D) The surviving parent or parents of the individual, in equal shares.

If there is no such person living, the Administrator shall pay such amount to the individual's estate.

(c) The amount of any payment made under this section shall be equal to—

(1) the amount reduced from the individual's pay under section 1411(b) or 1412(c) of this title, less

(2) the total of—

(A) the amount of educational assistance that has been paid to the individual under this chapter before the payment is made under this section; and

(B) in the case of an individual described in subsection (b)(1) of this section, the amount of accrued benefits paid or payable with respect to such individual in connection with this chapter.

(d) Any individual to whom a payment is made under subsection (a) of this section shall not be entitled to any educational assistance

under this chapter on and after the date of the payment under subsection (c) of this section.

(e) For purposes of determining the 6-year period referred to in subsections (a)(2) and (b)(1)(B) of this section, the provisions in subsections (b), (c), and (d) of section 1431 of this title for determining the 10-year period described therein shall apply to such 6-year period.

(f) A payment under this section shall be considered to be a benefit under this title and, for purposes of section 1435(b)(1), it shall be considered to be an entitlement earned under this subchapter.

Subchapter III—Supplemental Educational Assistance

* * * * * * *

§ 1422. Amount of supplemental educational assistance

(a) [Subject to section 1432 of this title and except] The amount of payment of educational assistance under this chapter is subject to section 1432. Except as otherwise provided under subsection (b) of this section, supplemental educational assistance under section 1421 of this title shall be paid—

(1) at a monthly rate of $300 for an approved program of education pursued on a full-time basis; or

(2) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, for an approved program of education pursued on less than a full-time basis.

* * * * * * *

Subchapter IV—Time Limitation for Use of Eligibility and Entitlement; General and Administrative Provisions

§ 1431. Time limitation for use of eligibility and entitlement

(a) Except as provided in subsections (b) through (e) of this section, the period during which an individual entitled to educational assistance under this chapter may use such individual's entitlement expires at the end of the 10-year period [beginning on (1) the date of such individual's last discharge or release from active duty, or (2) the last day on which such individual becomes entitled to such assistance, whichever is later.] beginning on the latest of the following:

(1) The date of such individual's last discharge or release from active duty.

(2) In the case of an individual who becomes entitled to such assistance under clause (A) or (B) of section 1412(a)(1) of this title, the date on which the four-year requirement described in clause (A)(ii) or (B)(ii), respectively, of such section 1412(a)(1) is met.

(3) In the case of an individual who becomes entitled to such assistance under section 1411(a)(1)(B), January 1, 1990.

* * * * * * *

§ 1432. Limitations on educational assistance for certain individuals

(a) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

(3) [*For*] *(A) Except as provided in subparagraph (B) of this paragraph, for each month that an individual is paid a monthly educational assistance allowance under this chapter, the individual's entitlement under this chapter shall be charged at the rate of—*

[*(A)*] *(i) 75 percent of a month in the case of payments made in accordance with paragraph (1)(A) of this subsection;*

[*(B)*] *(ii) 55 percent of a month in the case of payments made in accordance with paragraph (1)(B) of this subsection; and*

[*(C)*] *(iii) 35 percent of a month in the case of payments made in accordance with paragraph (1)(C) of this subsection.*

(B) Any such charge to the entitlement shall be reduced proportionately in accordance with the reduction in payment under paragraph (2) of this subsection.

(d)(1) Subject to paragraph (2) of this subsection, the amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 1402(3)(D) of this title is an amount equal to 75 percent of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

(2) Educational assistance described in paragraph (1) of this subsection may not be paid for any month to such an individual until the Administrator has received a certificate from the individual and the institution as to actual flight training received by, and the cost thereof to, the individual during that month.

(e)(1)(A) The amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education exclusively by correspondence is an amount equal to 55 percent of the established charge which the institution requires nonveterans to pay for the course or courses pursued by such individual.

(B) For purposes of subparagraph (A) of paragraph (1) of this subsection, the term "established charge" means the lesser of—

(i) the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency; or

(ii) the actual charge to the individual for such course or courses.

(2) Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the individual and serviced by the institution.

(3) In each case in which the rate of payment to an individual is determined under paragraph (1) of this subsection or under subsection (d)(1) of this section, the period of entitlement of such individual under this chapter shall be charged with one month for each payment of educational assistance to the individual that is equal to

the amount of monthly educational assistance the individual would otherwise be eligible to receive under this chapter with proportional increases and decreases in such charge in cases in which such payment is more or less, respectively, than such amount.

* * * * * * *

§ 1434. Program administration

(a) Except as otherwise provided in this chapter, the provisions of sections 1663, 1670, 1671, 1673 *(with the exception of subsection (b))*, 1674, 1676, 1682(g), 1683, and 1685 of this title and the provisions of subchapters I and II of chapter 36 of this title (with the exception of sections 1780(c), 1780(g), *1786(a),* and 1787 shall be applicable to the provision of educational assistance under this chapter. The term "eligible veteran", as used in those provisions, shall be deemed to include an individual who is eligible for educational assistance under this chapter.

* * * * * * *

[(c) When an eligible individual is pursuing a program of education under this chapter by correspondence, the individual's entitlement under this chapter shall be charged at the rate of one month's entitlement for each month of benefits paid to the individual.]

[(d)] *(c)* Regulations prescribed by the Secretary of Defense under this chapter shall be uniform for the Armed Forces under the jurisdiction of the Secretary of a military department.

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CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter III—Enrollment

* * * * * * *

§ 1673. Disapproval of enrollment in certain courses

(a) * * *

* * * * * * *

(d)(1) Except as provided in paragraph (2) of this subsection, the Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course for any period during which the Administrator finds that more than 85 percent of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or by the Veterans' Administration under this title *or under chapter 106 of title 10.* The Administrator may waive the requirements of this subsection, in whole or in part, if the Administrator determines, pursuant to regulations which the Administrator shall prescribe, it to be in the interest of the eligible veteran and the Federal Government. The provisions of this subsection shall not apply to any course offered by an educational institution if the total number of veterans and persons receiving assistance

under this chapter or chapter 30, 31, 32, 35, or 36 of this title *or under chapter 106 of title 10* who are enrolled in such institution equals 35 percent or less, or such other per centum as the Administrator prescribes in regulations, of the total student enrollment at such institution (computed separately for the main campus and any branch or extension of such institution), except that the Administrator may apply the provisions of this subsection with respect to any course in which the Administrator has reason to believe that the enrollment of such veterans and persons may be in excess of 85 percent of the total student enrollment in such course.

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PART IV—GENERAL ADMINISTRATIVE PROVISIONS

* * * * * * *

CHAPTER 53—SPECIAL PROVISIONS RELATING TO BENEFITS

* * * * * * *

§ 3103A. Minimum active-duty service requirement

(a) * * *
(b)(1) * * *

* * * * * * *

(3) Paragraph (1) of this subsection does not apply—
(A) * * *

* * * * * * *

[(F) to benefits under chapter 30 of this title in the case of a person entitled to benefits under such chapter by reason of section 1411(a)(1)(A)(ii)(II) of this title.]

(F) to benefits under chapter 30 of this title by reason of a discharge or release from active duty for the convenience of the Government or for a disability that existed before the person's becoming, or entering on active duty as, a member of the Armed Forces, as described in section 1411(a)(1)(A)(ii) or 1412(b)(1)(A).

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TITLE 10, UNITED STATES CODE

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Subtitle A—General Military Law

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PART III—TRAINING

* * * * * * *

CHAPTER 106—EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE SELECTED RESERVE

* * * * * * *

§ 2131. Educational assistance program: establishment; amount

(a) * * *

(b) [Each] *Except as provided in subsections (d) and (e), each* educational assistance program established under subsection (a) shall provide for payment by the Secretary concerned, *through the Administrator of Veterans' Affairs,* to each person entitled to educational assistance under this chapter who is pursuing a program of education [and] *of an* educational assistance allowance at the following rates:

(1) $140 per month for each month of full-time pursuit of a program of education;

(2) $105 per month for each month of three-quarter-time pursuit of a program of education; [and]

(3) $70 per month for each month of half-time pursuit of a program of education[.]*; and*

(4) an appropriately reduced rate, as determined under regulations which the Administrator of Veterans' Affairs shall prescribe, for each month of less than half-time pursuit of a program of education, except that no payment may be made to a person for less than half-time pursuit if tuition assistance is otherwise available to the person for such pursuit from the military department concerned.

[(c)(1) Educational assistance may only be provided under this chapter for pursuit of a program of education at an institution of higher learning and may not be provided to a person after the person has completed a course of instruction required for the award of a baccalaureate degree or the equivalent evidence of completion of study.]

(c)(1) Educational assistance may only be provided under this chapter for pursuit of a program of education that is an approved program of education for purposes of chapter 30 of title 38.

(2) Subject to section 1795 of title 38, the maximum number of months of educational assistance that may be provided to any person under this chapter is 36 *(or the equivalent thereof in part-time educational assistance).*

(d)(1) Except as provided in paragraph (2), the amount of the monthly educational assistance allowance payable to an individual pursuing a full-time program of apprenticeship or other on-the-job training under this chapter is—

(A) for each of the first six months of the individual's pursuit of such program, 75 percent of the monthly educational assistance allowance otherwise payable to such individual under this chapter;

(B) for each of the second six months of the individual's pursuit of such program, 55 percent of such monthly educational assistance allowance; and

(C) for each of the months following the first 12 months of the individual's pursuit of such program, 35 percent of such monthly educational assistance allowance.

(2) In any month in which an individual pursuing a program of education consisting of a program of apprenticeship or other on-the-job training fails to complete 120 hours of training, the amount of the monthly educational assistance allowance payable under this chapter to the individual shall be limited to the same proportion of the applicable full-time rate as the number of hours worked during such month, rounded to the nearest 8 hours, bears to 120 hours.

(3)(A) For each month that such an individual is paid a monthly educational assistance allowance under this chapter, the individual's entitlement under this chapter shall be charged at the rate of—

(i) 75 percent of a month in the case of payments made in accordance with paragraph (1)(A) of this subsection;

(ii) 55 percent of a month in the case of payments made in accordance with paragraph (1)(B) of this subsection; and

(iii) 35 percent of a month in the case of payments made in accordance with paragraph (1)(C) of this subsection.

(B) Any such charge to the entitlement shall be reduced proportionately in accordance with the reduction in payment under paragraph (2) of this subsection.

(e)(1) Subject to paragraph (2) of this subsection, the amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 1402(3)(D) of title 38 is an amount equal to 75 percent of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

(2) Educational assistance described in paragraph (1) of this subsection may not be paid for any month to such an individual until the Administrator has received a certificate from the individual and the institution as to actual flight training received by, and the cost thereof to, the individual during that month.

(f)(1)(A) The amount of the educational assistance allowance payable under this chapter to an individual who is pursuing a program of education exclusively by correspondence is equal to 55 percent of the established charge which the institution requires nonveterans to pay for the course or courses pursued by such individual.

(B) For purposes of subparagraph (A) of paragraph (1) of this subsection, the term "established charge" means the lesser of—

(i) the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency; or

(ii) the actual charge to the individual for such course or courses.

(C) Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the individual and serviced by the institution.

(2) In each case in which the amount of educational assistance is determined under paragraph (1) of this subsection or under subsection (e)(1) of this section, the period of entitlement of the individual concerned shall be charged with one month for each $140 which is paid to the individual as an educational assistance allowance.

§ 2132. Eligibility for educational assistance

(a) A person who—

(1) after June 30, 1985

(A) enlists, reenlists, or extends an enlistment as a Reserve for service in the Selected Reserve for a period of not less than six years; or

(B) is appointed as, or is serving as, a reserve officer and agrees to serve in the Selected Reserve for a period of not less than six years in addition to any other period of obligated service in the Selected Reserve to which the person may be subject; and

(2) before completing initial active duty for training has [received], *completed the requirements of* a secondary school diploma (or an equivalency certificate) *, or in the case of an individual who reenlists or extends an enlistment as described in paragraph (1)(A) of this subsection, completed such requirements at any time before July 1, 1985;*

is entitled to educational assistance under section 2131 of this title.

[(b) Educational assistance may not be provided to a member under this chapter until the member—

[(1) has completed the initial period of active duty for training required of the member; and

[(2) has completed 180 days of service in the Selected Reserve.]

(b) Educational assistance may not be provided to a member under this chapter until the member has completed the initial period of active duty for training required of the member.

(c) Each person who becomes entitled to educational assistance under subsection (a) shall at the time the person becomes so entitled be given a statement in writing summarizing the provisions of this chapter and stating clearly and prominently the substance of sections 2134 and 2135 of this title as such sections may apply to the person. *At the request of the Administrator of Veterans' Affairs, the Secretary of Defense shall transmit a notice of entitlement for each such person to the Administrator.*

[(d) A person who is entitled to educational assistance under chapter 30 of title 38 based on section 1412 of that title may not also be provided educational assistance under this chapter.]

(d) An individual who serves in the Selected Reserve may not receive credit for such service under both the program established by chapter 30 of title 38 and the program established by this chapter but shall elect (in such form and manner as the Administrator of Veterans' Affairs may prescribe) the program to which such service is to be credited.

§ 2133. Time limitation for use of entitlement

(a) Except as provided in subsection (b), the period during which a person entitled to educational assistance under this [section] *chapter* may use such person's entitlement expires (1) at the end of the 10-year period beginning on the date on which such person becomes entitled to such assistance, or (2) on the date the person is separated from the Selected Reserve, whichever occurs first.

(b)(1) In the case of a person separated from the Selected Reserve because of a disability which was not the result of the individual's own willful misconduct incurred on or after the date on which such person became entitled to educational assistance under this chapter, the period for using entitlement prescribed by subsection (a) shall be determined without regard to clause (2) of such subsection.

[(b)(1)] *(2)* The provisions of section 1431(e) of title 38 shall apply to the period of entitlement prescribed by subsection (a).

[(2)] *(3)* The provisions of section 1431(d) of title 38 shall apply to the period of entitlement prescribed by subsection (a) in the case of a disability incurred in or aggravated by service in the Selected Reserve.

§ 2135. Failure to participate satisfactorily; penalties

(a)(1) A member of the Selected Reserve of the Ready Reserve of an armed force who fails to participate satisfactorily in required training as a member of the Selected Reserve during a term of enlistment or other period of obligated service that created entitlement of the member to educational assistance under this chapter, *and during which the member has received such assistance,* shall, at the option of the Secretary concerned—

(A) be ordered to active duty for a period of two years or the period of obligated service the person has remaining under section 2132 of this title, whichever is less; or

(B) be required be refund to the United States an amount determined under subsection (b).

* * * * * * *

(b)(1) The amount of a refund under subsection (a) shall be the amount equal to the product of—

[(A) the number of months of obligated service remaining under the agreement entered into under section 2132(a)(3) divided by the original number of months of such obligations; and]

(A) the number of months of obligated service the person has remaining under the agreement entered into under section 2131(a) of this title divided by the original number of months of such obligation; and

* * * * * * *

§ 2136. Administration of program

(a) * * *

(b) [Except as otherwise provided in this chapter, the provisions of sections 1663, 1670, 1671, 1673, 1674, 1676, 1682(g), and 1683 of chapter 34 of title 38 and the provisions of subchapters I and II of chapter 36 of such title (with the exception of sections 1780(a)(5),

1780(b), 1786, 1787(b)(1), and 1792) shall be applicable to the provision of educational assistance under this chapter.] *Except as otherwise provided in this chapter, the provisions of sections 1434(b), 1663, 1670, 1671, 1673 (with the exception of subsection (b)), 1674, 1676, 1682(g), and 1683 of title 38 and the provisions of subchapters I and II of chapter 36 of such title (with the exception of sections 1780(c), 1780(g), 1786(a), 1787, and 1792) shall be applicable to the provision of educational assistance under this chapter.* The term "eligible veteran" [, as used] *and the term "an individual", as used* in those provisions, shall be deemed for the purpose of the application of those provisions to this chapter to refer to a person eligible for educational assistance under this chapter.

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